



## State of Utah

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# Insurance Department

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## UNDERSTANDING THE INDIVIDUAL HEALTH INSURANCE EXCHANGE

### *What You Need to Know Before You Enroll*

*On October 1, open enrollment in the new individual health insurance marketplace will begin. The marketplace, or exchange, is an important part of the Affordable Care Act (ACA), designed to simplify the process of shopping for and buying health insurance and applying for assistance. This guide helps consumers understand the exchange and how it can help them find coverage.*

### **Basics of the Exchange**

One of the more visible components of the ACA is the new health insurance marketplaces, or exchanges. These online exchanges ask consumers to enter information about themselves and select the level of coverage they desire to receive and a list of plans they can purchase. Open enrollment begins October 1, 2013 and ends March 31, 2014. Plans purchased on the exchanges by December 15, 2013 become effective January 1, 2014.

Bogus websites that purport to be part of the exchanges have been appearing online for more than a year, so beware of scam websites that claim you can receive subsidies and purchase a qualified policy before October 1. For more information on scams related to health care reform, check out this [consumer alert](#). To link to Utah's official individual health insurance exchange visit [healthcare.gov](http://healthcare.gov), or call (800) 318-2596.

### **Coverage Options**

Plans sold in the new marketplace fall into one of four categories: bronze, silver, gold or platinum. Insurers who participate in the exchange must offer at least one silver and one gold plan.

The different categories represent what an average enrollee would pay out-of-pocket when he/she receives care. If you purchase a bronze plan, you will have to pay a higher portion of the total cost of the care you receive than you would if you had a gold plan. While bronze plans will have lower premiums, they will have higher deductibles, co-pays and coinsurance levels that will increase your costs if you need medical care. Lower cost plans may also have small provider networks, which limit the physicians, hospitals, or other provider types that are covered under the plan. The levels of payment are:

- Bronze: the plan pays, on average, 60%; consumer pays 40%

**Please note:** Agency hours are 8am-5pm, Monday-Friday.

- Silver: the plan pays, on average, 70%; consumer pays 30%
- Gold: the plan pays, on average, 80%; consumer pays 20%
- Platinum: the plan pays, on average, 90%; consumer pays 10%

All plans must cover 10 essential health benefits (EHBs): outpatient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services.

The exchanges will also offer catastrophic plans. Like the name suggests, these plans will only cover you if you require extensive care. Catastrophic plans are available for individuals under 30 years old or for those with very low incomes who cannot afford other plans. For more information on catastrophic plans, click [here](#).

### **Navigating the Exchange**

Insurance agents or brokers are trained to help you find the right plan. They can recommend a specific plan, but are allowed to only sell plans from a particular company if they have a contract with that insurer.

To assist consumers with understanding the complexities of the plans, the ACA included a provision that created “navigators.” A navigator can be an individual or an organization. They are trained to help you learn about the available choices and to guide you through the application process once open enrollment begins. A navigator is not an insurance agent and **cannot** recommend a specific insurance plan or sell you insurance.

### **Rates on the Exchange**

Exact rates for the exchange will vary from person to person, as they are based upon age, family size and geographic location. In addition, some people may qualify for subsidies based on their income. These subsidies are considered a tax credit, but they will be applied to your monthly premiums. You can get an estimate of how much you could spend on health insurance using this [subsidy calculator](#) from the Kaiser Family Foundation.

### **More Information**

If you have questions about the individual health insurance marketplace visit [www.healthcare.gov](http://www.healthcare.gov) or call (800) 318-2596.

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**The Utah Insurance Department** is a State agency. Its mandate is to regulate insurance marketed and sold in Utah. Currently more than 95,000 agents, agencies, and insurers are licensed; domestic insurers are audited to verify financial stability and compliance with insurance laws; administrative action is taken against licensees found to be in violation of insurance laws; calls from consumers with questions or complaints are taken; and licensees and consumers are educated regarding insurance. For more information visit <http://www.insurance.utah.gov/> or call toll free in-state @ 1-800-439-3805 or locally @ 801-538-3077.